



**THOMAS L. GARTHWAITE, M.D.**  
Director and Chief Medical Officer

**FRED LEAF**  
Chief Operating Officer

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES  
313 N. Figueroa, Los Angeles, CA 90012  
(213) 240-8101

**BOARD OF SUPERVISORS**

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August 5, 2004

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**REQUEST TO ACCEPT COMPROMISE OFFER OF SETTLEMENT  
(ALL DISTRICTS AFFECTED - 3 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

Authorize the Director of Health Services or his designee to accept the attached compromise offers of settlement, pursuant to Section 1473 of the Health and Safety Code, for the following individual accounts for patients who received medical care at a County facility:

(1) Account Number - 0977821	\$188,713
(2) Account Number - 6155297	\$175,280
(3) Account Number - 5009345	\$130,919
(4) Account Number - 5953327	\$12,000

**PURPOSE OF THE RECOMMENDED ACTION:**

The compromise offer of settlement for patient accounts (1) - (3) are recommended because the amounts are the highest amounts that could be negotiated with the patients' insurance (Commercial or HMO) under the circumstances of the case, and receipt of such insurance proceeds prevent further collection from the patients, except for possible beneficiary coinsurance or deductible obligations. The compromise offer of settlement for patient account (4) is recommended because this is the highest amount that the patient could pay based on his current financial status.

**JUSTIFICATION:**

The best interests of the County would be served by the approval of these compromises since it will enable DHS to maximize net revenue on these accounts.

**FISCAL IMPACT:**

This will expedite the County's recovery of partial payment totaling approximately \$506,912.

**FINANCING:**

Not applicable.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS:**

On January 8, 2002 the Board approved an ordinance granting the Director of Health Services (Director) authority to reduce patient account liabilities when in the best interest of the County. The ordinance was adopted by the Board on January 15, 2002.

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50% of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

The compromise of these accounts is not within the Director's authority, so the Director is requesting Board approval of these compromises.

Typically, recoveries in tort settlements are divided into thirds – one third each to the plaintiff (patient), attorney, and lien holder(s), although the final result is always the product of negotiation. The County may therefore receive a higher or lower percentage depending on the circumstances of the case. Factors that affect the County's percentage include the number of other lien holders and the contractual agreement between the plaintiff and the lawyer.

**CONTRACTING PROCESS:**

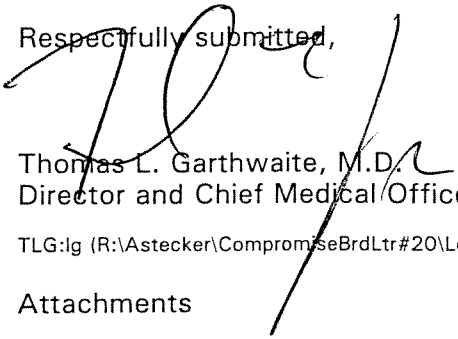
Not applicable.

**IMPACT ON CURRENT SERVICES (OR PROJECTS):**

Maximizing net revenues on these accounts will help DHS to meet its budgeted revenue amounts.

When approved, DHS requires three signed copies of the Board's action.

Respectfully submitted,

  
Thomas L. Garthwaite, M.D.  
Director and Chief Medical Officer

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Attachments

c: Chief Administrative Officer  
County Counsel  
Executive Officer, Board of Supervisors

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1  
DATE: August 5, 2004

<b>Total Charges</b>	\$269,590	<b>Account Number</b>	0977821
<b>Amount Paid</b>	\$0	<b>Service Type</b>	Inpatient
<b>Balance Due</b>	\$269,590	<b>Date of Service</b>	02/01/2004-02/26/2004
<b>Compromise Amount Offered</b>	\$188,713	<b>% Of Charges</b>	70%
<b>Amount to be Written Off</b>	\$80,877	<b>Facility</b>	LAC+USC Medical Center

### JUSTIFICATION

The above compromise offer of settlement is the highest amount that could be negotiated with the patient's insurance (Commercial or HMO) under the circumstances of the case.

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2  
DATE: August 5, 2004

<b>Total Charges</b>	\$250,400	<b>Account Number</b>	6155297
<b>Amount Paid</b>	\$0	<b>Service Type</b>	Inpatient
<b>Balance Due</b>	\$250,400	<b>Date of Service</b>	04/13/2004-05/03/2004
<b>Compromise Amount Offered</b>	\$175,280	<b>% Of Charges</b>	70%
<b>Amount to be Written Off</b>	\$75,120	<b>Facility</b>	H/UCLA Medical Center

### JUSTIFICATION

The above compromise offer of settlement is the highest amount that could be negotiated with the patient's insurance (Commercial or HMO) under the circumstances of the case.

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 3  
DATE: August 5, 2004

<b>Total Charges</b>	\$218,199	<b>Account Number</b>	5009345
<b>Amount Paid</b>	\$9,000	<b>Service Type</b>	Inpatient
<b>Balance Due</b>	209,199	<b>Date of Service</b>	11/28/2002-12/17/2002
<b>Compromise Amount Offered</b>	\$121,919	<b>% Of Charges</b>	56%
<b>Amount to be Written Off</b>	\$87,280	<b>Facility</b>	MLK/D Hospital

### JUSTIFICATION

The insurance carrier paid \$9,000 and has now offered a settlement of \$121,919 which is the highest amount that could be negotiated with the patient's insurance (Commercial or HMO) under the circumstances of the case. The total payment of \$130,919 represents 60% of the charges (\$9,000 [4%] and \$121,919- [56%]).

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 4  
DATE: August 5, 2004

<b>Total Charges</b>	\$48,410	<b>Account Number</b>	5953327
<b>Amount Paid</b>	\$0	<b>Service Type</b>	Inpatient
<b>Balance Due</b>	\$48,410	<b>Dates of Service</b>	01/05/2004 – 01/13/2004
<b>Compromise Amount Offered</b>	\$12,000	<b>% of Charges</b>	25%
<b>Amount to be Written Off</b>	\$36,410	<b>Facility</b>	H/UCLA Medical Center

### JUSTIFICATION

This patient was treated twice at H/UCLA Medical Center and incurred total inpatient charges of \$48,410 for medical services rendered. The patient does not qualify for Medi-Cal or ATP (Out of County patient). Based on financial information provided, it appears that patient does not have the financial means to pay the full cost of care.